

Message Text

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ACTION EUR-12

INFO OCT-01 IO-14 ISO-00 AID-05 CEA-01 CIAE-00 COME-00
EB-08 FRB-01 INR-10 NSAE-00 SP-02 STR-07 TRSE-00
LAB-04 SIL-01 OMB-01 AGRE-00 STRE-00 INRE-00 /067 W
-----008271 180217Z /61

R 121448Z MAY 78
FM AMEMBASSY BRUSSELS
TO SECSTATE WASHDC IMMEDIATE 6515
INFO ALL EC CAPITALS
USMISSION GENEVA

UNCLAS SECTION 01 OF 03 BRUSSELS 09137

C O R R E C T E D C O P Y (SOME OF THE REPORTED 1978/79 AND
1977/78 (U.A./M.T.)
SENT INCORRECTLY IN ORIG XMISSION ALL SECTIONS BEING RESENT X
HAVE NOTED CORRECTIONS WITH & SIGN)

PASS AGRICULTURE ELECTRONICALLY
PARIS ALSO FOR USOECD
GENEVA ALSO FOR USMTN

E.O. 11652: N/A
TAGS: EAGR, EC
SUBJ: EC COUNCIL OF AGRICULTURAL MINISTERS, MAY 8 - 12
1978

REFS: (A) EC A-10; (B) EC A-13; (C) EC A-96;
(D) BRUSSELS 8425; (E) EC A-52; (F) BRUSSELS 4693

1. SUMMARY: THE MAY 8-12 COUNCIL OF AGRICULTURAL MINISTERS
APPROVED AN AVERAGE 2.5 PERCENT INCREASE IN EC FARM PRICES
FOR 1978/79 IN TERMS OF UNITS OF ACCOUNT. THE NEW PRICES
ARE LISTED IN THIS COMMUNICATION. OTHER ASPECTS OF
PARIS ALSO CKAGE AND COUNCIL MEETING WILL BE REPORTED SEPTTEL.
THE ITALIAN DELEGATION APPROVED THE PACKAGE AD REFERENDUM;
THEY INDICATED THEY WILL MAKE THEIR FINAL POSITION KNOWN
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BY MAY 17 (DETAILS SEPTTEL) END SUMMARY.

2. THE COUNCIL OF AGRICULTURAL MINISTERS FINALLY REACHED
AGREEMENT ON THE 1978/79 PRICE PACKAGE AT 3:00 A.M. THURSDAY
MORNING, MAY 12. TAKING INTO ACCOUNT THE REDUCTION OF THE
CORESPONSIBILITY LEVY ON MILK FROM 1.5 TO 0.5 PERCENT, THE
AVERAGE PRICE INCREASE IN TERMS OF UNITS OF ACCOUNT IS

PUT AT ABOUT 2.5 PERCENT -- 0.5 PERCENT HIGHER THAN ORIGINAL-
LY PROPOSED BY THE COMMISSION. IN NATIONAL CURRENCIES, THE
AVERAGE PRICE INCREASE IS ESTIMATED AT ABOUT 6 - 7 PERCENT,
TAKING INTO ACCOUNT THE DEVALUATIONS OF THE U.K., FRENCH
AND ITALIAN GREEN RATES EARLIER THIS YEAR (REFS. E AND F).

3. THE NEW PRICES AND GREEN RATES ARE LISTED IN THE
FOLLOWING PARAGRAPHS. THE NEW PRICES WILL GO INTO EFFECT
AT THE START OF THE MARKETING YEAR. IN THE CASE OF BEEF
AND DAIRY THE START OF THE NEW MARKETING YEAR AS ALREADY
BEEN POSTPONED UNTIL MAY 21. OTHER ASPECTS OF THE PRICE
PACKAGE AND OF THE MAY 8 - 12 COUNCIL MEETING WILL BE RE-
PORTED SEPTEL.

4. PRICES

1978/79 1977/78 PERCENTAGE
INCREASE
(U.A./M.T.)

DURUM WHEAT

TARGET PRICE	224.27	224.27	-
INTERVENTION PRICE	203.01	203.01	-
PRODUCER SUBSIDY	63.00	60.00	5.0

SOFT WHEAT

TARGET PRICE	162.39	158.08	2.7
INTERVENTION PRICE	121.57	120.06	1.3

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REFERENCE PRICE (MILLING

QUALITY WHEAT)	136.96	1/ 135.59	1.0
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1/ IN ADDITION TO EXISTING CRITERIA, A READING OF 160
ON THE HAGBERG TEST MUST BE ATTAINED FOR WHEAT TO
QUALIFY AS MILLING QUALITY.

BARLEY

TARGET PRICE	147.23	144.97	1.6
INTERVENTION PRICE	121.57	120.06	1.3

RYE

TARGET PRICE	155.12	155.12	-
INTERVENTION PRICE 2/	130.25	128.96	1.0

2/ SPECIAL PREMIUM FOR RYE OF BREADMAKING QUALITY:

(U.A./M.T.) 1978/79 4.50; 1977/78 3.11.

CORN

TARGET PRICE	147.23	144.97	1.6
INTERVENTION PRICE	121.57	118.03	3.0

RICE

TARGET PRICE (HUSKED
RICE) & 301.26 295.71 1.9
INTERVENTION PRICE
PADDY) 174.98 171.55 2.0

SUGAR

MINIMUM PRICE (SUGAR-
BEETS) 25.94 25.43 2.0
TARGET PRICE (WHITE
SAR) 1/ 352.50 345.60 2.0
INTERVENTION PRICE -
(WHITE SUGAR) 1/ 334.90 328.30 2.0

1/EXCLUDING STORAGE COST CONTRIBUTION.
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LAB-04 SIL-01 OMB-01 AGRE-00 STRE-00 INRE-00 /067 W
-----086213 122020Z /61

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OLIVE OIL

PRODUCER TARGET PRICE 1,915.40 1,877.80 2.0
MARKET TARGET PRICE NA 1,419.10 -
INTERVENTION PRICE 1,411.40 1,346.20 4.8
PRODUCER SUBSIDY 431.10 458.70 -6.0

OILSEEDS

SOYBEANS - TARGET PRICE 321.70 3.40 5.0

LINSEED " 324.30 311.80 4.0
 LINSEED - MINIMUM SUBSIDY
 PER HECTARE 0 105.00 -
 TARGET PRICE
 RAPESEED 296.70 285.30 4.0
 SUNFLOWERSEED 323.20 307.80 5.0
 INTERVENTION PRICE
 RAPESEED 288.20 277.10 4.0
 SUNFLOWERSEED 313.80 29.90 5.0
 CASTOR BEANS
 TARGET 420.00 NA -
 MINIMUM 400.00 NA -

MILK -- - "
 TARGET PRICE 1.00 173.50 2.0
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INTERVENTION PRICES
 BUTTER 2,357.20 2,309.50 2.1
 NFDM 957.80 940.90 1.8
 GRANA PADANO
 30-60 DAYS 2,311.30 2,237.20 3.3
 6 MONTHS 2,804.80 2,693.40 4.1
 PARMIGIANO-REGGIANO --, OO " -
 6 MONTHS 3,060.30 2,925.70 4.6

BEEF
 GUIDE PRICE - CATTLE -- "" "
 (LIVE WEIGHT) 1,259.70 1,229.00 2.5
 INTERVENTION PRICE - -, ,, ,
 CATTLE (LIVE WEIGHT) 1,133.70 1,106.10 2.5

PORK - BASE PRICE
 (CARCASS WEIGHT) 1,226.04 1,202.00 2.0
 SEEDS - PRODUCER SUBSIDY U.A./100 KGS.
 HEMP 10.5 9 16.7
 FLAX 14.5 13 11.5
 LINSEED 11.5 10 15.0
 GRAMINAE 10-38 10-33 -
 LEGUMINOUS 4-28 4-25 -

WINE
 ORIENTATION PRICES FOR ALL TYPES INCREASED BY
 2 PERCENT.

TOBACCO
 INCREASES IN TARGET AND INTERVENTION PRICES
 RANGED FROM 0 TO 5 PERCENT ACCORDING TO VARIETY
 FOR AN AVERAGE INCREASE OF 2 PERCENT. INCREASES
 IN BUYER PREMIUMS WERE GENERALLY 1 - 2 PERCENTAGE

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POINTS HIGHER THAN THE INCREASES IN PRICES.

FRUITS AND VEGABLES

BASE AND PURCHASE PRICES AS WELL AS PENETRATION, OR
MARKETING, PREMIUMS FOR CITRUS FRUIT INCREASED BY
2 PERCENT.

1978/79 17/78

U.A./M.T.

DEHYDRATED FORAGE

FIXED SUBSIDY	5.00	9.55	NA
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GUIDE PRICE	103.00	-	-
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1/ A DEHYDRATION SUBSIDY OF 9.55 U.A./M.T. WILL APPLY TO
POTATOES FOR WHICH THE GUIDE PRICE SYSTEM WILL NOT APPLY.

FEED PEAS AND BEANS

ACTIVATING PRICE (SOYBEAN MEAL) 285.00 NA -

MINIMUM PRICE	175.00	NA	-
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SUBSIDIES: U.A./HECTARE

COTTONSEED	1.70	104.74	3.8
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FX	202.55	194.74	4.0
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HEMP	183.96	176.88	4.0
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U.A./BOX

SILKWORMS	55.00	40.20	-
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SPECIAL AID TO RECOG-

NIZED PRODUCER GROUPS	0	14.07	-
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5. GREEN RATES: THE GERMAN GREEN RATE REVALUED BY
0.3 PERCENT. GREEN RATES FOR FRANCE, ITALY, AND IRELAND
WERE DEVALUED BY 3.6, 5, AND 6 PERCENT. IN THE CASE OF
FRANCE, A FURTHER 3.6 PERCENT DEVALUATION HAS BEEN AGREED

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R 121448Z MAY 78
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UPON FOR THE 1979/1980 MARKETING YEAR BUT THIS INCREASE
WILL GO INTO EFFECT MAY 17, 1978 FOR THE PIGMEAT SECTOR.
NO OTHER CHANGES IN GREEN RATES WERE MADE AT THIS COUNCIL
MEETING; HOWEVER, AS NOTED IN PARA 2 SEVERAL CHANGES IN
FRENCH, ITALIAN, AND UK GREEN RATES WERE MADE EARLIER IN
THE YEAR. COLUMN A BELOW SHOWS THE GREEN RATES TO BE
APPLIED IN THE 1978/79 MARKETING YEAR. COLUMN B SHOWS THE
PERCENTAGE REVALUATION OR DEVALUATION OF THESE RATES IN
COMPARISON WITH RATES IN EFFECT JANUARY 1, 1978. COLUMN C
SHOWS THE CHANGES IN MEMBER STATE PRICES RESULTING FROM
THE CHANGES MADE IN GREEN RATES THIS YEAR.

COLUMN

A (U.A.) B () C ()

BELG./LUX.	1 BF	0.0202640	0	0
DENMARK	1 DKR	0.116733	0	0
FRANCE	1 FF	0.160639	7.1	7.7
--PIGMEAT	1 FF	0.154856	10.5	11.7
GERMANY	1 DM	0.293912	0.3	MINUS 0.3
ITALY	100 LIRA	0.0866551	10.7	12.0
IRELAND	1 #	1.27079	6.0	6.4

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NETHERLANDS	1 FL	0.293884	0	0
U.K.	1 #	1.57678	7.5	8.1 HINTON

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Message Attributes

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